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ABSTRACT

Presenting a brief overview of federal aid to education, this paper approaches the equity issue by first detailing the unique characteristics of rural school districts and then examining rural program needs in terms of the appropriateness, sufficiency, and manageability of federal aid for rural schools. Emphasizing the diverse nature of rural school districts, this paper describes characteristics common to most rural schools: small enrollments, sparse populations, close school-community relations, and problems of isolation and finance. Specifically, the following questions are raised: (1) Do federal education programs offer 'appropriate' assistance to rural schools, given their unique characteristics? (2) Is federal education aid 'sufficient', given the nature and extent of rural needs? and (3) Is federal education aid manageable in rural schools? This analysis suggests that the needs of rural school districts necessitate flexibility, specialized services, greater resources and educational opportunities, and greater levels of financial aid. Calling for programs designed to meet the special needs of rural schools, numerous steps are suggested for equitable adjustment in the federal aid program. Among these are: elimination of the "density bias" of federal aid programs; reduction of average grant sizes to increase availability to greater numbers of schools; increased availability of small grants to teachers for individual projects; allowance for greater latitude among grant recipients; and closer monitoring of state departments of education in their distribution of federal funds. (JC)

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The Rural Experience with Federal Education Aid

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National Rural Center

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When U.S. Commissioner of Education Ernest Boyer received a letter in 1978 from a Montana Senator asking what the federal government was doing for *rural* schools, he was not sure how to answer it. Not only were there no federal programs aimed specifically at rural schools, there was not even a single Office of Education (OE) staff member whose responsibility it was to monitor rural educational needs. It had never before been considered necessary. On the rare occasions in the past when someone had asked a question about rural education, recalls one senior OE official, "We directed them over to the Department of Agriculture."

But when a Senator asks, it's a different matter. For several months, the letter was passed from office to office in an effort to locate someone knowledgable on the subject. Eventually, it was one of the factors which led to the planning of a National Seminar on Rural Education, jointly sponsored by the Education Division of the Department of Health, Education, and Welfare (HEW) and the Science and Education Administration of the Department of Agriculture. Here, the Senator's question was to be answered: The seminar was intended as an opportunity for a review of what the federal government was already doing for rural schools and as a forum for a discussion of what it could and should be doing.

What prompted the Senator's letter, and ultimately the National Seminar, was a concern that rural schoolchildren are not being adequately served under the federal education aid program, in spite of the fact that they constitute between one-fifth and one-third of the total public school population in the U.S. (depending on the "rural" definition used)[1]. It is not an issue of whether rural educational needs are specifically addressed

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[1]See, for example, Sher 1978.

under the federal aid programs--it is freely acknowledged that they are not; neither are urban or suburban educational needs singled out for special treatment. Rather, the issue is whether rural needs are so unique or so great that an across-the-board approach to education assistance inevitably results in a rural disadvantage.

It is a complex, multi-faceted question. The most authoritative discussion of the subject is offered in a recently-released report by the Rand Corporation -- *Federal Aid to Rural Schools: Current Patterns and Unmet Needs* (Bass and Berman, 1979). The research was originally commissioned (by Assistant HEW Secretary for Education Mary Berry) as a study of whether rural schools get their "fair share" of federal education aid. Initial findings were reported at the National Seminar. It was later expanded, with National Institute of Education (NIE) funds, to address the issue of "unmet needs" as well. In the report, authors Gail Bass and Paul Berman examine, for six states, the distribution of funds between rural and non-rural school districts for two federal programs, Libraries and Learning Resources (ESEA Title IV, Part B) and Educational Innovation and Support (ESEA Title IV, Part C), during fiscal year 1977. Their findings on the "fair share" question were inconclusive: In some cases, rural school districts got more than their proportionate due of federal funds and in others, less. It depended primarily on the basis on which the funds were distributed (through a formula or through competition) and on *how* small and *how* rural the schools were. Additionally, the authors found that rural "disadvantage" had to be understood within a broad context, and that when education aid was measured against need, the "fair share" question became much more complex.

The National Rural Center (NRC) has also had an interest in the question of how federal education aid benefits rural districts. The NRC approach has

been to focus first on rural educational needs and then to examine the federal aid programs in their light, rather than to attempt an answer to the question of whether rural districts have gotten their due share of federal dollars. Our investigations have been field-based, rather than statistical, and have focused on rural schools' *experience* of federal aid (limited to the major OE programs). Much of our findings are, in fact, reports of how rural school administrators and teachers see federal education aid as a resource in their own situation.

Federal aid - a brief overview

The U.S. Congress in 1979 appropriated over $13 billion for aid to educational institutions. Over 120 programs were authorized, spanning virtually every level and aspect of education.

The federal role in education has grown only as national goals have been established -- and federal aid has been authorized only when lawmakers have been convinced that state and local educational agencies are not able to meet those goals without additional support (or where there are special educational needs for which state and local agencies are unprepared). Until 1965, the national goals for education were associated only with specific "problems" that existed on a nation-wide basis. That year, however, a new idea emerged: the federal government was responsible for the provision of equal educational opportunity across the land. Congress passed the Elementary and Secondary Education Act (ESEA), and the federal share of education finance jumped by over one billion dollars almost overnight.

Since 1965, the authorization of education appopriations has been based on a continuing exploration of the implications of guaranteeing equal educational opportunity for all and on the identification of additional national goals in education. Over these fifteen years, federal involvement

in education has widened considerably in scope, with the precedent for further federal participation firmly established.

A federal interagency committee attempted to clarify the federal role in education in a 1978 report, "Towards a Comprehensive Federal Education Policy" (HEW, 1978). The authors identified six major purposes behind federal education initiatives, ranging from the familiar idea that it was a federal responsibility to assure equality of educational opportunity "regardless of race, sex, age, ethnic heritage, economic disadvantage, or handicapping condition" to the notion that the federal government should "exercise leadership in the support of research in education and to assure the widespread dissemination of knowledge acquired through the research process." With the other four purposes, the rationale offered for federal involvement in education was broader than anything previously considered.

Ironically, however, the growth of the federal role in education *finance* relative to the state and local share has stopped. From 1962 to 1968, the federal share more than doubled, going from 4.3 percent to 8.8 percent (See Table 1). But by 1977, the federal share had not yet reached nine percent. This is an important point: It is from this situation that has arisen the widespread feeling that federal involvement in education is increasingly a matter of underfunded mandates. The government is asking for more, and offering the same.

To summarize the federal programs briefly would not be possible. It is important, however, to note that the programs can be classified in two ways. First, they can be divided into *formula* grants, in which funds are distributed to local school districts on the basis of pre-determined entitlements, and *discretionary* grants, which are awarded to school districts

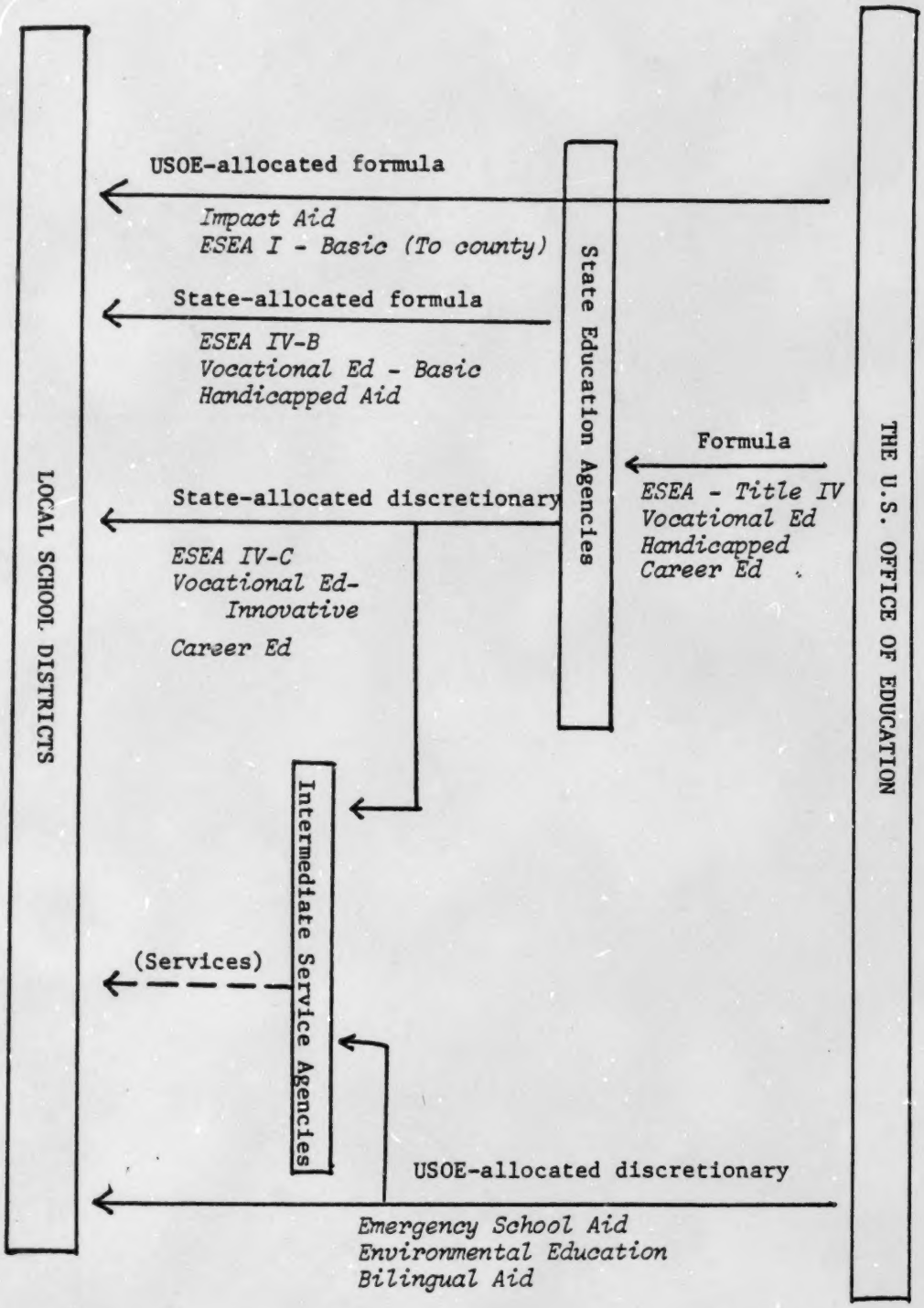
at the discretion of the grantor, and for which agencies must apply on a competitive basis.

Secondly, the programs can be grouped according to whether they are administered at the *state* or *federal* level. There are thus four sub-types: federally-allocated formula grants; state-allocated formula grants; federally-allocated discretionary grants; and state-allocated discretionary grants. The chart on page six illustrates the flow.

It is essential to keep this organization of federal aid in mind while considering whether rural districts are adequately served. In the current appropriation, approximately thirty percent of federal funds are distributed by state education agencies. The final distribution of funds threfore may be influenced more by policies and decisions made at the state level than by federal intent. The same is true for monitoring; much of it is done by state departments, according to their own policy interpretations. This applies particularly to rural schools: In many cases, OE will monitor large urban schools directly, while leaving the monitoring of small schools to the state agencies. Before yielding to the impulse to blame the federal government for one's problems with federal aid, therefore, it would be a good idea to check to be sure that the source of the problem is not at the state level.

Rural education needs and characteristics

Were rural schools no different from urban and suburban schools, and if educational needs did not vary from one setting to another, there would be little cause for concern over the federal treatment of rural areas in comparison to other areas of the country. But rural education can be distinguished from urban and suburban education in several ways, each of which has implications for the proper distribution of federal aid.



The Flow of Federal Aid to Education

First of all, rural schools are diverse; the category includes everything from one-room schools on Maine islands to large, consolidated schools in rural Alabama.Indeed, the variety of cultures and terrain in rural America makes diversity a characteristic which distinguishes rural schools as a group, in comparison to others. With reference to federal aid, this means that rural schools have a particularly high stake in seeing that there is flexibility built into the aid programs, if they are to benefit from them.

The fact of their diversity makes it difficult to continue generalizing about rural schools, but some obvious features can be noted. Rural schools are normally located in more sparsely-populated areas than are urban schools. Both students and available resources are more likely to be spread across a wide geographic area. This characteristic means that it may be more difficult to provide the specialized services that can be provided in more concentrated areas. It also means that there will be a higher incidence of transportation problems and higher transportation costs on a per pupil basis.

Another obvious characteristic of rural school systems is that they are likely to be smaller than urban school systems, with fewer students and a smaller and less specialized staff and administration. Across the nation, eighty-five percent of nonmetropolitan[2] school districts have total enrollments of less than 2500 students, while only fifty-four percent of metropolitan school districts fit that category (See Table 2). As a result, the curriculum is going to be less specialized, school facilities will be less complete, teachers will be responsible for a wider variety of subjects, administrative expertise will be less highly developed, and operations in general are more likely to be informal, personalized, and less institutional.

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[2]"Nonmetropolitan" is a demographic term referring to all areas outside of a Standard Metropolitan Statistical Area, as defined by the Office of Management and Budget.

Another feature which seems to be especially typical of rural areas is the closeness of school/community relations. Rural communities tend to be more cohesive than urban communities and qualitatively different -- characterized by more social and economic interdependence, stronger traditions of local control and governance, and greater importance attached to the family. Where the school/community relationship is tighter and more significant, the bureaucratic structure in the school (as in other local institutions) is less developed, and the pace and direction of educational change will be more closely attuned to the community.

There is also the condition of isolation, which -- though it is not true of some rural areas -- exists in many forms throughout rural America: Distance and/or geographic barriers may separate rural people from each other and from the rest of the world. The implications of this condition are many. Rural educators will have less access to information, resources, and services. There will be a lack of professional contact. Students may lack familiarity with other settings and have undeveloped skills for dealing with the outside world. There will be fewer career models and learning opportunities. "Urban" amenities will be in short supply, which may make it more difficult to attract staff. The cultural homogeneity of the population may lead to prejudice against other cultures and/or the growth of a local culture which is itself the object of prejudice in the larger world.

Financially, rural school districts are on a shakier foundation than are school districts generally. Overall, there are higher rates of poverty in rural areas than in the country as a whole (Fifteen percent of the rural population is officially poor, compared to ten percent of the metropolitan population[3]), and lower tax revenues. Where school finance is dependent on

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[3]See National Rural Center, 1978

local wealth, rural areas are disadvantaged; in 1975-76, rural districts looked to outside sources for 57.4 percent of their revenues, while the comparable figure for the U.S. as a whole was 49.4 percent (See Table 3). As a result, rural districts are able to spend less on education. During the 1975-76 school year, the national average per pupil expenditure was $1235, whereas the expenditure for rural areas was $1070 per pupil, or eighty-seven percent of the national average (See Table 4). This is in spite of the fact that transportation costs are higher in rural areas, with the average nonmetropolitan school district expending $61 per pupil for transportation services, compared to $49 in metropolitan areas, or 124 percent more. Rural schools are forced to cutback in instruction, where they spend eighty-seven percent of the national average, and in attendance and health services, where their expenditures are only half the national average.

As far as quantifiable education needs are concerned, a recent Department of Agriculture report makes it clear that rural students are disadvantaged. It concluded that residents of nonmetropolitan areas, compared to residents of metropolitan areas, are more likely to: enroll in school later, progress through school more slowly, complete fewer years of school, score lower on national assessment tests, and become functional illiterates (Fratoe, 1978).

Rural education, then, is characterized generally by unique problems and greater than average need. Considering these realities, how do rural schools fare with federal aid?

The federal response

In order to evaluate the potential benefit of federal education assistance in rural schools, it is necessary to ask three questions:

(1) Do federal education programs offer *appropriate* assistance to rural schools, given their unique characteristics?

The issue here is whether rural schools have a need for programs suited to their own circumstances, particularly in the areas of curriculum and staff development. If so, do the federal programs provide that assistance, or have they been drafted with urban or suburban settings in mind?

(2) Is federal education aid *sufficient*, given the nature and extent of rural needs?

There are actually two parts to this question. The first is whether rural educational needs are quantified in a satisfactory manner, or whether they are underestimated. The second is whether federal aid to rural schools is enough to cover the costs of meeting those needs in a manner which provides rural children with educational opportunities equal to that enjoyed by urban and suburban children.

(3) Is federal education aid *manageable* in rural schools?

This question is related to the first one, in that it focuses on the appropriateness of the federal education programs in rural areas. In this case, however, it is not whether federal assistance matches the program needs of rural schools, but whether the aid is organized and administered in such a way as to be of benefit to rural schools, given their institutional needs and characteristics.

Each of these questions will be considered in turn, with attention paid to rural schools' experiences under several OE programs.

Federal aid and rural program needs: Is it appropriate?

As has already been mentioned, there are no federal education programs which specifically address rural needs. Neither is there a feeling within OE that the improvement of rural education requires any special federal

commitment. The response of a program officer in the environmental education office is characteristic of the viewpoint of the Department of Education as a whole: "We make no considered effort to reach rural schools; we think environmental education is a notion that has equal applicability in both rural and urban areas. We look only at the need, the service to be rendered under the proposed project, and the quality of the service."

Therefore, the question becomes one of whether there are opportunities, within the array of education assistance programs, for using federal aid to address unique rural needs. To that, the answer is yes and no. Almost all of the federal programs have some measure of usefulness as far as rural needs are concerned. Environmental education itself (an OE-administered discretionary grant program supporting curriculum and staff development) is a good example. Because rural schools are at a disadvantage in their capacity to offer science laboratory facilities that are available in larger, well-endowed suburban and urban schools, they need to rely more on the exploitation of one resource which works to their advantage: their proximity to the outdoor environment. Thus, the availability of federal funds for the development of innovative environmental education programs seems to be an ideal opportunity for rural schools.

There are, in fact, several federal programs which provide funds for local program development: Part C of ESEA Title IV (Improving Local Education Practices); Bilingual Education (ESEA Title VII); Emergency School Aid (for desegregating schools); and Career Education are a few examples. All are competitively-awarded programs; some are state-administered, while others are federally-administered. To the extent that unique rural educational needs means that rural schools have a need for some of their own curriculum and staff development, all of these programs would seem to be useful.

Unfortunately, almost all these programs have other features which

work against their usefulness in rural areas. One is that, in each case, large grants are widely favored over small grants. The average environmental education grant in 1978, for example, was for $33,000 (Only fifty-eight grants were made, out of 679 applications submitted). This is a case of the triumph of bureaucratic interests. A few large grants make for less administrative work by program officers. But a large number of small grants would go much further, would be spent more cautiously, and would benefit a wider variety of schools. Small schools not wanting to be dominated by a single federally-funded project are much more likely to pursue small grants than large ones.

Secondly, if these curriculum development programs are to be useful in meeting the program needs in rural areas, it is necessary that they be characterized by flexibility in their design and implementation. But the opposite is increasingly true. Washington officials seem to be stuck in a mentality which demands large-scale solutions, which values "transferability" over local relevance, and which sees innovation as a process which can only happen in large, resource-rich educational centers.

We may stay with the environmental education program. The experience of a rural educator in New York State is worth recounting. Problems began for him <u>after</u> he received his grant: "They put a lot of pressure on us to come up with a theory," he says. "It seems like they're always thinking on a grand, complex scale -- so they can win the whole ballgame at once. They want to be able to tell people what to do. It seems as if they don't think that rural people can think creatively and solve their own problems." In the case of his grant, he was expected to become familiar with various "tomes" coming out of the national office, including "charts and graphs with no meaning or significance to what we wanted to do." Though his proposal had focused on energy-related issues, the national office, in the process of approving his proposal, amended it to focus on "human settlements" -- an

ironic twist for a sparsely-populated region.

There is also evidence that current federal policies actively discourage the development of educational programs which are suited to local circumstance. An excellent example is the Title IV-C program, which is supposed to support "projects and activities designed to improve educational practices." It is a discretionary grant program administered by state education agencies, but one of those on which the influence of federal policies and directives has been substantial. In most states, IV-C funds are distributed in two basic forms. "Developmental" grants are given to local school districts to develop a new educational program, usually in areas established as high priorities by a state Title IV advisory council. "Adoption" grants are given to districts to defray the expenses of their adoption of a program which was developed elsewhere. Previously, there was a third category as well: "mini" grants for small amounts ($500--1500) were given directly to individual teachers who had an idea they wanted to try.

The trend in recent years has been to give fewer developmental grants, but for larger amounts ($50-100,000 yearly, for three years), and more adoptive grants, for smaller amounts. The use of mini-grants has disappeared almost entirely. A 1978 survey found only .3 percent of IV-C funds being distributed in that form. "One innovation can go a long way," explains Herman Goldberg, Associate OE Commissioner for State and Local Programs. "The talk now is, 'How do we get more bang for the buck?' There's more emphasis on spreading the impact of a program around. State departments don't want districts to re-invent the wheel."

The question is whether the emphasis on transferability over relevance means that unique local needs go unmet: The issue is probably more critical

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[4]In keeping with the new emphasis, the Title IV-C program had its name changed in 1978 from "Educational Innovation and Support" to "Improving Local Education Practices."

for rural schools than it is for urban schools, given the diversity of rural settings. It is exacerbated by an even more serious problem. The loss of opportunities for locally-relevant program development would be minimized if the developmental grants went to a broadly representative sample of school districts, including varieties of rural districts. But that is definitely not the case.

According to a recent study (Emrick 1977), the typical program "developer" is an urban or suburban school, while the typical "adopter" is a rural school. The existence of the pattern is confirmed by many state IV-C officers, such as one from Minnesota: "If you look at a map of the state showing the sites of developmental projects, they're almost all in the urban areas. . . . But this year we have sixty-five adoption projects, and they're mostly in the rural areas. That's how we balance it out."

Thus, in the interests of "transferability", small rural schools are being denied opportunities to develop their own curriculum and staff development products -- in a federal program which is supposed to support that activity. Instead, they are offered second-hand innovations, usually developed in an urban or suburban context. The basic attitude behind this position is that innovative program development is a phenomenon which can only take place within the context of a large institution, for a variety of reasons. A good example of this line of thinking is offered in a journal article on the "diffusion" of exemplary educational programs among rural school districts in southern Appalachia:

> Rural and low-income school systems with minimal financial resources lacked the funds to try attacking their problems in new and different ways. Yet in many cases the innovative programs that would eliminate their specific difficulties had already been tried elsewhere and had proven successful. Making this information available to them would show them how to solve their problems and in the process serve to stretch their limited funds. (Barry 1977)

The patronizing approach of showing rural districts "how to solve their problems" will not reap the maximum rewards of educational improvement, because there is no commitment to strengthening the creative capacity of the school. A clear example of the attitude that educational innovation can only be nurtured in the resource-rich environment of large schools or "research and development" centers can be found in Texas, with its administration of Title IV-C funds. In 1979, thirty-five developmental grants were awarded. Twenty-three did not even go to schools, but to "education service centers," intermediate service agencies serving schools over a wide region. Of the twelve developmental grants that did go to school districts in Texas, only two went to districts with enrollments of less than 5000 students.

To be sure, the allocation of Title IV-C developmental funds is a state decision, not a federal decision; but the IV-C plan must be approved by the Assistant Secretary for Elementary and Secondary Education in Washington, and the policy of directing developmental funds to intermediate agencies and large school districts is fully in keeping with current federal thinking. There is, in fact, a counterpart to this practice at the federal level. In announcing the availability of federal funds under the nationally-administered discretionary programs, the Office of Education only bothers to notify school systems with enrollments of more than 500 students.

In conclusion, it is theoretically possible to use federal aid to support program development which is tailored to rural circumstances, but in practice there are several barriers to doing so. First, there is a federal preference for large grants over small ones and for comprehensive "models" over modest local solutions. Secondly, there is an attitude toward rural schools that can only be described as condescending: the

idea is that small rural schools are inherently flawed and not capable of high-quality, original program development. Such an attitude cannot help but hurt, for it breeds an institutional complex of inferiority which more effectively than anything else can doom any effort to achieve excellence in the educational program of a rural area.

Federal aid and rural economic needs: Is it sufficient?

What is the price of establishing equal educational opportunity for rural schoolchildren?

For most rural school administrators, the most important questions pertaining to federal aid are whether they get it and whether it's enough to meet the needs. The first question primarily concerns discretionary aid -- the federal grants you can never be sure of until you have the check in hand. Whether districts receive any funds depends on how their applications rank against those from other school districts. Typically, the applications are judged on the basis of several criteria, the most important of which are the level of "need" which exists in the local area and the potential benefit of the activity which is proposed to address that need. Normally, each criterion is assigned a maximum number of points; an application then accumulates a "score", based on how well it measures against the various criteria, and only the highest-scoring applications are funded.

It sounds fair enough. The problem for rural districts, as in so many other cases, comes in the definitions -- in this case, in the interpretation of "need". Thoughout several of the major discretionary programs, there is a clear density bias: Needs are considered to be more severe when they are clustered in groups rather than spread apart. In these programs, school districts are at a considerable advantage in the pursuit of federal aid if

it contains a large number of needy students, regardless of the relative concentration of the students among the school population as a whole Under the bilingual education aid program (ESEA, Title VII), a school district's application for a basic grant is rated partly on its "need" points: "need" is defined on the basis of both the number of students of limited English proficiency and the comparable percentage. Thus a small rural district is always at a disadvantage in competition with a large urban district, regardless of whether the small district enrolls a higher proportion of needy students, because the large district will be able to score extra points because of its high number of such students.

Applications for basic grants under the Emergency School Aid program (ESEA, Title VI) are rated on the same basis -- a combination of numerical and percentage measurements. Associate OE Commissioner for Equal Educational Opportunity Shirley McCune claims that "We're trying to be fair to both the rural and the urban district; the numerical ranking favors the urban district; the percentage ranking favors the rural district. By putting the two together, we get a balance." But her logic is unclear. How can a percentage ranking be considered to favor a rural district? All that can truthfully be said is that a percentage ranking does not discriminate against a rural district, whereas a numerical ranking does. Neither system favors rural districts.

This same density bias is also evident in the Title I program, with the concentration grants. Under this provision, school districts receive bonus payments if they have a "high concentration" of low-income students. But the definition of "high concentration" includes a numerical component as well as a percentage component. To be eligible, a county (not a school district) has to have either 5000 or twenty percent identified low-income school-age students. Counties receive an extra allocation for each "disadvantaged" student they

contain above that level; in effect, they are able to count those students twice. This means that the concentration grant is an automatic gift to all metropolitan counties, regardless of the actual proportion of poverty among the students.

In truth, it's not the fact of how easily the metropolitan districts qualify for the concentration grants that is the issue: More than half of all the school districts in the nation, large and small, qualify for concentration grants. The problem is that small districts only get a bonus for the number of children above the twenty percent level, while the large cities are able to count all the children above the 5000 level. Five thousand students, however, represent only .8 percent of the enrollment in the Los Angeles Unified School District, two percent of the enrollment of the Houston Independent School District, four percent of the enrollment of the Memphis schools, and only five percent of the enrollment of the schools in Columbus, Ohio (and those figures are before the enrollments of the other school districts in the county are added). The Fiscal 1980 appopriation for concentration grants was $200 million, up $50 million from 1979. Of that money, sixty percent went to the 130 largest school districts in the country, according to the Title I office of the Office of Education.

Under straight formula grants, a school district is guaranteed a share of federal funds for each eligible child it contains. No density factor is thus involved. There is still a question for rural districts, however, of whether the funds are sufficient. The problem with straight per pupil allocations of federal aid is that educational costs across different settings are not always equal on a per pupil basis. This is particularly true of small schools, where fixed costs must be spread among fewer students. A "fairness" issue is thus involved: Federal expenditures which are proportionate on a per pupil basis between rural and urban areas will not produce benefits which are proportionate, if the cost of producing those benefits is higher in rural areas.

Examples of situations involving diseconomies for small schools are numerous. One film projector costs the same, regardless of how many students use it. A speech teacher for twenty students is as expensive as a speech teacher for thirty students. Similar problems apply in the per pupil costs of building and equipping gymnasiums, libraries, and science laboratories.In a recent Department of Agriculture report of research on relationships between size of schools and school districts and the cost of education, the author concluded that "The extent and availability of size-economies in education is not a settled issue," but that "Certain economies do seem to be associated with large-scale education" (Fox 1980).

Because of the variances in educational costs, at least two formula-based federal programs -- ESEA, Titles I and IV, Part B -- have cost adjustment factors built into the formula. Oddly enough, neither is necesarily helpful to small rural schools.

Under Title I, allocations to school districts are pegged to state education expenditures. The idea is that expenditure variances will roughly reflect cost variances. But that is not necesarily true. A state's education expenditures may vary for many reasons which are quite independent of cost -- most notable are the factors of the state's wealth and the commitment of the state's political elite to the support of public education. In such instances, lower average education expenditures indicate a condition of disadvantage for the state's schoolchildren, nothing else. To adjust the level of federal aid going into the state according to the level of state expenditure is, in effect, to perpetuate and compound the disadvantage.

This is precisely what happens in thousands of small rural school districts. As noted earlier, rural school districts tend to spend less than urban school districts. As a result, those states which are predominately rural have education expenditures which are lower on the average than expenditures in

states which are predominately urban, and all the districts in the rural states will receive lower Title I allocations. As a result of this situation, rural districts on a nationwide basis receive less Title I aid per eligible child than do urban districts (See Smith and Brauen, 1979).

The cost adjustment mechanism in the Title IV-B program is somewhat more reliable, though still faulty. The IV-B program provides funds to school districts for the purchase of educational resource materials. Grants are given to school districts according to the number of students they enroll. It is recognized that small rural schools will inevitably have higher per pupil costs when it comes to the purchase of such things as encylopedia sets and film projectors. For that reason, "sparsity" and "smallness" are both conditions which are officially considered "high cost factors," and where they exist, a district may qualify for a higher subsidy than it would otherwise receive. The problem is that there is a long list of conditions which are recognized as "high cost factors," and states have the freedom to choose which factors to use in establishing their own IV-B allocations. (It is a state-administered program.) They may, for example, choose instead to adjust the IV-B allocation according to the number of Title I-eligible children in the school district, though it is difficult to see how the per pupil costs of purchasing educational resources vary according to the income level of the students' families. In 1979, there were seventeen states which did not consider either population sparsity or smallness as "high cost factors" for the purpose of IV-B allocations. Among them were five of the seven most urban states in the country.

There are other considerations as well which raise questions about the sufficiency of federal education aid in rural districts.One is the fact that rural poverty is qualitatively different from urban poverty. Less than twenty-five percent of the rural poor are in female-headed families, for example, while

over forty percent of the urban poor are so-situated (National Rural Center, 1978). Therefore, the definition of poverty in programs such as Title I will influence the level of allocations going to rural areas.

Another consideration concerns the revenue potential of school districts. In order for federal aid to produce equal benefits to everyone, it must not only be adjusted to reflect cost variances, but also to reflect a district's capacity to finance its own operation. Where districts rely heavily on local tax revenue, and where those revenues are low, extra federal may be necessary in the interests of equity.

Federal aid and rural school systems: Is it manageable?

When state education officials are asked why more ESEA IV-C developmental grants don't go to rural schools, their response is automatic: "Because they don't apply for them." The same apparently holds true for all discretionary grant programs. "We just don't get many high-quality proposals from the rural areas," says Gayle Anderson of the Minnesota Department of Education.

Because there is such a low level of participation in grant competitions in rural areas, it is difficult to accuse either state or federal officials of discriminating against rural applicants. In fact, most officials are genuinely pleased to see good proposals from rural areas, and there are many stories around state education departments about special considerations having been made for this or that applicant from some small, rural school.

The problem is that there is rarely any attempt to offer a good explanation for the lack of rural proposals -- an explanation which goes beyond the simple notion that "There isn't any interest in proposal-writing out there." Specifically, there seems to be little thought given to the idea that perhaps the source of the problem is not in rural apathy, but in a method of program operation which leaves rural schools at a disadvantage and thus ensures a low

level of rural interest. In this case, the question that must be asked is not whether the federal programs themselves have any potential benefit for rural schools, but whether the programs are structured in such a way that they can fit into the institutional context of rural school systems.

The institutional characteristics of rural school systems have already been discussed: They are less bureaucratic and more personalized, with a relatively undeveloped administrative component in comparison with large urban and suburban school systems. Frequently, a rural district will have only a superintendent, a secretary, and a bookkeeper in the central office, with one principal in each school building -- some of whom are also teachers.

The implications for a district's use of federal aid are obvious. In the case of discretionary grant programs, where a school's fortunes depend on its "grantsmanship" capacity, small districts are severely handicapped. While a large school system might employ a staff member purely for the purpose of of overseeing the district's federal programs and watching for new aid opportunities, a small district must rely on the willingness of a superintendent or a principal to play such a role. But a superintendent or a principal has many other responsibilities; there is little time left at the end of the day for writing proposals or even perusing the latest *Federal Register*. Rural administrators, therefore, either do not learn what is available in the way of federal education aid, or do not have the time, knowledge, or training to pursue it.

The smallness of rural school systems also has important implications for their experience of formula-based federal aid. The problem here is that the aid is invariably tied to school enrollments -- the smaller the system, the less aid it gets. But with any federal grant, there is a minimum amount of

paperwork that accompanies the grant. This means that in some small rural districts, the administrative burden imposed upon school officials as a result of their involvement in a federal aid program may outweigh the benefits of the program. As a result, some districts are choosing not to participate in federal programs.

If there are lower than average levels of participation in federal aid programs, both discretionary and formula-based, it is therefore due at least in part to the fact that small rural districts face serious disadvantages in their access to and use of such aid. The federal response has been to offer technical assistance to short-handed rural school systems and to make an attempt at paperwork control and the simplification of program regulations. The latter steps have been undertaken only within the last two years and have met with only limited success. Progress has been made, but the administrative burden imposed on small rural districts as a result of their involvement in federal programs is sitll outweighing the benefits, in the judgement of many rural superintendents.

With respect to technical assistance, it is well-established in the legislation, but poorly-established in practice. As currently authorized (under Titles I, IV, V, and VII of ESEA and under Title IV of the Civil Rights Act), technical assistance provisions are intended to help districts in the planning and operation of new programs or programs which are mandated by federal statute, to help in the formulation of proposals for competitive grants, and to keep school personnel well-informed of the latest changes in the federal programs. The legislation is most explicit with regard to the distribution of federal funds under Part C of ESEA Title IV, where it is specified that funds shall go to school districts "on an equitable basis, recognizing the competitive nature of the grantmaking, except that the State

educational agency shall provide assistance in formulating proposals and in operating programs to local educational agencies which are less able to compete due to small size or lack of local financial resources."
Given such statements, it would seem that technical assistance activities hold out the promise of alleviating the rural disadvantage in the pursuit of federal aid.

Unfortunately, the record of state agencies in providing the required technical assistance is mixed, to say the least. A 1977 HEW "Sanctions Study" found that "state technical assistance programs vary widely in quality and approach" (Demarest 1977). Many rural school administrators charge that state technical assistance programs represent at best a token effort -- and the charge is not always denied by state agency personnel.

Their position is that technical assistance is expensive and time-consuming. It is also inconvenient, and many state agencies have responded by re-defining assistance in terms more in keeping with their own interests and which virtually preclude any on-site, individualized assistance. Activities aimed at helping small districts overcome the disadvantage they face in competition with larger districts suffer the most. In Texas, for example, technical assistance under the bilingual education program has increasingly focused on program and staff development and less on proposal-writing skills. "The districts which receive our help are the swift ones that come after it," explains bilingual education director Ernest Perez. Perez says that the federal government is partly responsible for the lack of technical assistance. "The problem is," he says, "that time has been so tight that we don't have the opportunity to go over the proposals like we should. This year, there were only thirty days between the time we received the program regulations and the time proposals were due. Many districts had only a week to develop a proposal. We didn't have

time to review them for quality, only to see that they were in order."

In Texas, the responsibility for providing technical assistance to school districts wishing to compete for ESEA IV-C funds is assigned to twenty regional service centers. The effort is organized in a way similar to that used in other states: regional workshops are held, at which time school administrators are briefed on the proposal-writing procedures. Some local school officials, however, feel that the workshops have an effect opposite to the one which is intended under the law. Recalls one rural superintendent: "We get a letter announcing a workshop on the (IV-C) program, where they'll explain it. I go to them. But what that normally does, if you haven't been exposed to it before, is scare you away. The amount of work they say you have to do. And the assistance you get is minimal." If the regional service centers which put on these workshops have less than an enthusiastic commitment to the goal of developing good proposals from the rural districts, it may be related to the fact that they themselves employ proposal-writers, compete for the same grants, and depend on the same funds for their own survival.

In one case, five IV-C developmental grants,totaling over $300,000, were awarded to a single Texas service center -- one which already had ten other IV-C funded projects in later stages of funding. "We're forced to go outside for additional funding," explains Judy Castlebury, coordinator of planning and development at another service center in San Antonio. "We work hard at that because our districts have great needs." In fact, the "needs" of the service center are also taken into consideration. Castlebury explains that one of the reasons that the service center seeks grants under ESEA IV-C to develop new programs rather than grants to promote program adoptions, is because her staff "gets a little antsy"with one-year adoption grants. "Developmental projects give us three-year funding," she says.

"That provides more stability for our staff." Castlebury's attitude toward the provision of technical assistance to rural schools is not surprising: "I conduct training workshops for district people," she says. "We don't discourage them from writing, but they realize their chances for funding are much less than ours. We produce better-quality proposals, stand a better chance of getting them funded, and are in a better position to deliver the services. There's not a lot of interest in writing proposals in the rural areas. The prevailing feeling is, 'Let the centers do it, and save us the trouble.'"

In fact, there is more interest in proposal-writing in rural schools than her statement indicates. If more superintendents do not apply for federal grants, says one, it is because they are "intimidated" by the application process. "But once you go through it one time," he says, "it's not so bad. And every year it gets easier." In his area of Texas, superintendents have been forced to develop their own technical assistance network. "It's strictly word-of-mouth," he says. "Probably where I got my most help early on was from _____ (a larger district, about twenty miles away). I just called ____ (the federal programs coordinator), and he was always very helpful. Since then, I've passed my application on to another superintendent, and he's now passed it one to someone else." Rural school administrators need and want technical assistance in their efforts to pursue federal aid opportunities; when they don't get it from the official sources, they are forced to improvise.

Another problem is suggested here. There seems to be an attitude in many states that the best way to improve rural schools is by delivering services to their doors, rather than strengthening the schools themselves, to solve their own problems. Yet this may not coincide with the institutional needs in rural areas. As previously discussed, rural school systems tend to be more personalized in their operations than school systems generally are.

There is a greater tendency to associate quality with personnel rather than with programs. As one rural superintendent puts it, "Excellence in education walks into the classroom each day on two feet." The modern approach to educational improvement, with its emphasis on the development and dissemination of exemplary programs rather than on the development of good teachers leaves many rural administrators unimpressed. When one Texas superintendent was urged to have one of his teacher's programs "validated" and "diffused" to other schools, he refused. "You couldn't move it," he says. "You'd have to move Frankie Lou. You build programs on people; it's their determination and commitment that makes a program. You can't diffuse the people."

He and other rural administrators, however, believe that determination and commitment in teachers are attributes which can be encouraged and built. One of the best ways, they say, is to give them the opportunity to be involved in developing a new program. If the new program duplicates a program developed elsewhere, it may also duplicate the un-exportable benefits of the creative process. There might, after all, be something for "re-inventing the wheel" -- to the extent that the inventing might be more important than the wheel.

Obviously, funds are too limited to give every district a IV-C developmental grant or some other large grant. What may be asked, however, is whether the current policy of investing heavily in selected sites provides the greatest benefits for rural districts. An alternative is readily provided in the revival of "mini" grants, such as those which used to be part of the IV-C program.

There is a general issue here. There seems to be a tendency throughout the federal education assistance programs to see small, relatively undifferentiated rural school systems in negative rather than positive terms. The result is that resources are not channeled into the institutions themselves (which might be regarded as flawed), but into other institutions which have the responsibility

of ministering to the rural schools. In particular, there seems to be little support for the idea that good education in a rural school depends in any way on the creative capacity of the institution. Little attempt is made, anywhere within federal aid, to support innovative initiatives in small schools -- they are expected to replicate other schools' programs, instead. Money is not directed to teachers to develop their own ideas, but only to train them in someone else's technique. And systems are urged "to let the centers do it" and be saved the trouble of figuring it out themselves.

In sum, the structure of the federal aid program is in several respects not well-matched to the characteristics of rural school systems. To the extent that a district's fortunes in receiving federal funds depends on its proposal-writing abilities, rural systems suffer because of a lack of administrative personnel. Where school systems are small, the administrative burden which followes from an involvement in a formula-based federal aid program often outweighs the associated benefits. Neither technical assistance nor recent efforts at paperwork control and the simplification of regulations have been able to alleviate those disadvantages. Furthermore, the emphases on program development rather than people development and on the delivery of services to rural schools rather than on the building of the schools' self-help capacity are both tendencies which amount to a mis-judgement of the institutional needs of rural school systems.

Conclusions and recommendations

Until federal education assistance programs are funded at a substantially higher level, it will be hard for them to fulfill their purposes in either urban or rural districts. That goal must be the highest priority. But the time has also come to recognize that urban and rural educaeion are characterized by

different problems and different possibilities, and that different strategies of educational improvement are required in each case. It is hard to show that there has been any malicious neglect of rural education in this nation. But it does seem apparent that the Office of Education's custom of seeing U.S. public schools as a monolithic body, characterized by a uniform set of educational needs and requiring uniformly-applied solutions, has adverse consequences for those school systems which are the most atypical; inevitably, those are the rural ones. The neglect of rural education, therefore, stems primarily from OE's determination that it is not necessary to "think rural" in order to serve the cause of rural educational improvement. But the neglect is still real, and can be seen throughout the federal aid operation. Those programs which support curriculum development do not encourage locally-relevant innovation, small-scale solutions, or teacher-directed design. They assign rural schools an "adopter" role, leaving them with programs which were designed for the most part in non-rural settings. Formula-based programs do not reflect in many cases the higher per pupil costs in rural areas for providing comparable educational services. Areas with high percentage concentrations of needy students, but low numbers, are at a disadvantage in the distribution of federal aid, compared to areas with high numbers of such students. Programs are not designed with the institutional realities of rural schools in mind and hence are less effective in meeting rural needs. The burden of paperwork and the lack of grantsmanship capacity discourage rural schools from participating in federal grant programs. There is a lack of commitment to building the creative capacity of rural schools as opposed to having services delivered to their doors.

What could be done?

First, additional investigations must be carried out. Technical assistance programs must be evaluated more carefully, with the intent of seeing how they

could be strengthened, and state assistance efforts should be monitored more closely. Research must also be carried out in order to determine the true nature of educational costs in rural areas -- with the goal of establishing a more equitable formula adjustment in the federal aid programs.

In the action area, several specific steps would be useful:

(1) The "density bias" of federal aid programs should be eliminated.

(2) Additional resources should be put into technical assistance efforts.

(3) Average grant sizes should be reduced, in order to make the aid available to more schools and to scale the grants to a size where they are attractive to small systems.

(4) Small grants should be made available to teachers to carry out individual projects in their own classrooms.

(5) Curriculum development to meet unique rural needs should be supported.

(6) Greater latitude should be allowed recipients of federal grants, enabling them to pursue their own ideas of what needs to be done.

(7) Efforts at the control of paperwork should be continued and expanded.

(8) State education departments should be more closely monitored for their distribution of federal funds to rural areas.

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Table 1. Revenue receipts of public elementary and secondary schools from Federal, State, and local sources: United States, 1961-62 to 1976-77 (Percentage distribution)

School year	Total	Federal	State	Local (including intermediate)
1961-62	100.0	4.3	38.7	56.9
1963-64	100.0	4.4	39.3	56.3
1965-66	100.0	7.9	39.1	53.0
1967-68	100.0	8.8	38.5	52.7
1969-70	100.0	8.0	39.9	52.1
1971-72	100.0	8.9	38.3	52.8
1973-74	100.0	8.5	41.4	50.1
1975-76	100.0	8.8	43.9	47.4
1976-77	100.0	8.8	43.4	47.8

Source: U.S. Department of Health, Education, and Welfare, National Center for Education Statistics, *Digest of Education Statistics, 1979*, Table 66.

Table 2. Number of Public School Districts by Size in 1971, United States Total and Nonmetropolitan Areas.

School District Enrollment Size	United States Total	Nonmetropolitan Districts	
		Total	Percent of U.S. Total
All Districts	16,581	11,800	71%
25,000 or more	184	7	4
10,000-24,999	559	130	23
5,000-9,999	1,112	467	42
2,500-4,999	2,025	1,078	53
Under 2500	12,701	10,121	80

SOURCE: U.S. Department of Health, Education, and Welfare. National Center for Education Statistics. Statistics of Local Public School Systems, Pupils and Staff, FAll 1971. Washingtion, D.C. 1975, Table 1.

Table 3. Percent Distribution of Revenue Receipts of Local Public School Systems by Source of Funds in 1975-76, United States Average and Nonmetropolitan Areas.

Source	United States Average	Nonmetropolitan Areas
Total revenue receipts	100.0	100.0
Local	50.6	42.6
State	41.0	47.1
Federal	8.1	9.9
Combined Federal-State Vocational Education	0.3	0.4

SOURCE: Irwin, Paul, "Report on Rural America: Educational Problems and Federal Alternatives," Congressional Research Service, Library of Congress, November 1978. Table C-3 (Using unpublished data from National Center for Education Statistics, U.S. Department of Health, Education, and Welfare).

Table 4. Current Expenditures per Pupil in Average Daily Membership in Local Public School Systems in 1975-76, United States Average and Nonmetropolitan Areas.

Account Category	United States Average	Nonmetropolitan Average	Percent of U.S. Average
Total expenditures for all accounts	$1235	$1070	87
Administration	53	47	89
Instruction	847	740	87
Attendance and Health services	16	8	50
Pupil transportation services	49	61	124
Plant operation and maintenance	145	120	83
Fixed charges	119	85	71
Replacement of equipment	6	9	150

SOURCE: Irwin, Paul "Report on Rural America: Educational Problems and Federal Alternatives", Congressional Research Service, Library of Congress. November 21, 1978. Table C-1 (Using unpublished data from National Center for Education Statistics, U.S Dept. of Health, Education, and Welfare)